

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:2902

ANSWERED ON:06.12.2007

AGREEMENT BY ONGC WITH A NORWEGIAN COMPANY

Jindal Shri Naveen

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether Oil and Natural Gas Corporation (ONGC) has signed an agreement with Norwegian State run Norsk Hydro Production for exploring gas blocks in Krishna- Godavari basin off the Andhra Coast;
- (b) if so, the details of the agreement;
- (c) the total investment being made by the company in this project;
- (d) whether there is any other proposal for entering into a long term agreement with this company;
- (e) if so, the details thereof; and
- (f) the benefits which are likely to accrue to the country?

Answer

MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA)

(a) & (b) Yes, Sir. ONGC has signed a Development and Cooperation Agreement with Norsk Hydro Produksjon of Norway, on 2nd July 2007 for cooperation in exploration and development of certain offshore areas of India in which ONGC has agreed to assign 10% Participating Interest in Block KG-DWN-98/2 to Norsk Hydro Produksjon of Norway. Norsk Hydro Produksjon, after merger with Statoil a State owned company now renamed as StatoilHydro. The Broad areas of Cooperation are:

Knowledge and Competence Transfer

Vasai East Services

Participating Interest in Block KG-DWN-98/2 as well as possible cooperation in other NELP blocks.

(c) The company shall share the costs in proportion to its participating interest in the project,

(d) & (e) The possibility of joint participation in other blocks under NELP is also being explored

(f) StatoilHydro has special expertise and technology for deep water development and production. The alliance will help development of offshore discoveries and would also lead to transfer of deep water exploration/ exploration technology. The benefits likely to accrue to ONGC include:

Building up of knowledge base and competence to produce from deep water and Ultra Deep Water with application of sophisticated and latest state of art technologies.

To develop the knowledge of personnel engaged in offshore exploration, development and operations,

Exploration of future NELP Blocks and their development through joint cooperation

The participating interest of Statoil Hydro will help in accelerating the development of Deep Water blocks in KG Basin.